(b) whether Government are reviewing the above policy to attract more investment to India or to channel Indian assistance to other countries; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Review of India Development Initiative is being undertaken as part of normal ongoing process and no specific purpose can be attributed to it.

Rise in Inflation

500. SHRI M.A.M. RAMASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the inflation has reached an all time high in the country;

(b) if so, the reasons therefor;

(c) whether the Government propose to take specific measures such as reduction in excise levies and other tax adjustments with regard to consumer goods keeping in view the interests of poorer sections of the society;

(d) if so, the details thereof;

(e) if not, the reasons thereof; and

(f) The specific measures to be taken by the Government to contain inflation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The annual inflation rate in terms of the Wholesale Price Index (WPI) reached a peak level at 8.7 per cent on August 28, 2004 and subsequently declined to 7.3 per cent as on November 20, 2004. The highest WPI inflation since 1950-51 was recorded in 1974-75 when it stood 25.2 per cent. Similarly, annual inflation in term of Consumer Price Index CPI, (IW) reached the highest level of 28.6 per cent in 1974. The CPI (IW) inflation rate in the current year 2004-05 remained between 2.2 and 4.8 per cent until October 2004.

(b) Does not arise.

(c) to (f) Containment of inflation remains high on the agenda of the government. Anti-inflationary polices of the government include strict fiscal and monetary discipline, rationalisation of excise and import duties of essential commodities so that there is no undue burden on the poor, effective supply-demand management of sensitive items through liberal tariff and trade policies, and strengthening the public distribution system. Specific measures taken by the government to contain inflation include the following:

- On June 15, 2004, government reduced exise duties on selected petroleum products to keep their domestic retail prices in check in the face of rising international prices of oil. Excise duty on petrol was reduced from 30 per cent to 26 per cent. that on high speed diesel from 14 per cent to 11 per cent and that on liquefied petroleum gas (LPG) from 16 per cent to 8 per cent.
- On August 18, 2004, government reduced furtner excise and customs duties on selected petroleum products. Customs duty on petrol, diesel, LPG and kerosene were reduced by 5 per cent each, while excise duty was reduced by 3 per cent each for petrol and diesel and by 4 per cent for kerosene.
- On August 20, 2004, government reduced customs duties on non-alloy steel and ships for breaking to 5 per cent from 10 and 15 per cent respectively in order to check high inflation in metals and metal products. Melting scrap of iron and steel was fully exempted from customs duty.
- To check the liquidity overhang in the system, the Reserve Bank of India (RBI), on September 11, 2004, hiked the cash reserve ratio (CRR), to be maintained by banks, by 50 basis points to 5 percent of their demand and time liabilities.
- In a bid to control the prices of edible oils and make its availability easy, the government on September 16, 2004 cut tariff values on many vegetable oils by around $ 50 a metric ton.
- In its Mid-Term Review of the Annual Policy Statement for 2004-05 announced on October 26, 2004, the RBI hiked the reverse repo rate (i.e. the interest rate paid on bank funds placed with the RBI against government paper) by 25 basis points to 4.75 per cent.
- As there was a fall in the international prices of crude oil, oil companies reduced the prices of petrol by up to Rs. 1.26 per liter with effect from November 15, 2004.

Recovery of Tax from BCCI

501. SHRI AJAY SINGH CHAUTALA: Will the Minister of FINANCE be pleased to state:

(a) whether the Board of Control for Cricket in India (BCCI) has even paid income tax on income earned by it;

(b) if so, the details thereof during the last three eyars separately;

(c) whether the BCCI has not paid the income tax and other taxes which were due from it during the above period and also in 2004-05;

(d) if so, the reasons therefor; and

(e) what remedial action is taken or proposed to be taken by Government to recover the taxes from BCCI?